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U.S.A.I.D. Program No. 492-0480

AMENDMENT NO. 13

TO THE

STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

REPUBLIC OF THE PHILIPPINES

AND THE

UNITED STATES OF AMERICA

FOR THE

INTEGRATED FAMILY PLANNING

MATERNAL HEALTH PROGRAM

Dated: Sept. 26, 2000

INTEGRATED FAMILY PLANNING MATERNAL HEALTH PROGRAM
AMENDMENT NO. 13 TO STRATEGIC OBJECTIVE GRANT AGREEMENT,
No. 492-0480

THIS AMENDMENT NO. 13, entered into as of the 26th day of September, 2000, between the REPUBLIC OF THE PHILIPPINES (the "Grantee") and the UNITED STATES OF AMERICA, acting through the United States Agency for International Development ("U.S.A.I.D. ").

WITNESSETH THAT:

WHEREAS the Grantee and U.S.A.I.D. (the "Parties") entered into Program Grant Agreement No. 492-0480 (the "Agreement") on August 1, 1994, whereby U.S.A.I.D. agreed to provide an initial increment of \$15,066,508 in Grant funds for the Integrated Family Planning Maternal Health Program (the "Program"); and

WHEREAS through previous amendments to the Agreement, the amount of Grant funds was increased to \$70,668,508;

WHEREAS U.S.A.I.D. desires to increase further the amount of Grant funds by \$10,101,243;

WHEREAS the Parties agree that Intermediate Result 2 (National Systems Strengthened to Promote and Support the FP/MCH Program) has been achieved by the program; and

WHEREAS the parties further agree to modify the set of indicators and benchmarks for measuring progress toward achievement of Program Objective and Intermediate Results based on the findings of the mid-term assessment of the program, the results of the 1998 National Demographic and Health Survey, and revised U.S.A.I.D. strategy for 1999-2004.

NOW THEREFORE, the Grantee and U.S.A.I.D. hereby agree to amend the Agreement as follows:

1. **Section 2.1** of the Agreement is hereby amended as follows:

a. delete the phrase "Result 1: Increased public sector provision of family planning/maternal and child health (FP/MCH) services" and substitute in lieu thereof the phrase "Result 1: Increased public sector provision of sustainable FP/MCH services targeted at the poor";

b. delete "Result 2: National systems strengthened to promote and support the FP/MCH program"; and

c. delete "Result 3: Increased private sector provision of contraceptives and FP/MCH services" and substitute in lieu

thereof "Result 2: Increased private sector provision of contraceptives and FP/MCH services".

2. **Section 2.2** of the Agreement is hereby amended in its entirety to read as follows:

"Performance indicators allow the Parties to verify progress towards the Objective and Intermediate Results over agreed upon periods of time, so that the Parties can make necessary adjustments in the Benchmarks and Activities described in Annex 1. The indicators the Parties will use to measure progress towards the Objective and Intermediate Results are specified in Annex 1."

3. **Section 3.1 (a)** of the Agreement is hereby amended by deleting the phrase "not to exceed Seventy Million Six Hundred Sixty Eight Thousand Five Hundred Eight United States Dollars (\$70,668,508) (the "Grant")," and inserting in lieu thereof the phrase "not to exceed Eighty Million Seven Hundred Sixty Nine Thousand Seven Hundred Fifty One United States Dollars (\$80,769,751) (the "Grant")."

4. **Section 3.2(b)** of the Agreement is hereby amended in its entirety to read as follows:

(b) The Grantee's estimated contribution over the life of the Program will not be less than the Peso equivalent of \$30,000,000 in cash and/or "in kind". In addition, the Grantee will contribute not less than \$4,472,211 (Pesos 132,336,866) in cash expenditures to offset value-added taxes (VAT), including E-VAT, assessed on USAID-financed goods and services incurred during the remaining life of the agreement.

5. **Annex I** of the Agreement is hereby amended as follows:

a. reinstate Section IV (Results to be Achieved)

which is attached hereto;

b. delete Section V (Activities) and substitute in lieu therefor Section V which is attached hereto.

c. change the title of Section VII from "Monitoring, Evaluation and Audits" to "Program Management, Monitoring, Evaluation and Audits" and adding the following paragraph after the second paragraph of Section VII:

"Funds obligated for program management, monitoring, evaluation and audits may be unilaterally committed by U.S.A.I.D. for its administrative and operating costs related to the implementation of activities covered under this Agreement (including personnel costs, rent, utilities, furniture, equipment, and other support costs)."

d. delete Attachment 1 (Financial Plan) and substitute in lieu therefor the new version of Attachment 1 which is attached hereto; and

e. delete Attachment 2 (Strategic Objective Framework).

Except as expressly amended herein, the Agreement shall continue in full force and effect in accordance with all of its terms.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF THE PHILIPPINES

By: RP Medalla
for Felipe M. Medalla
Director-General
National Economic and
Development Authority

UNITED STATES OF AMERICA

By: Patricia K. Buckles
Patricia K. Buckles
Mission Director
United States Agency for
for International
Development

WITNESSED BY:

By: Dr. Alberto G. Romualdez, Jr.
Dr. Alberto G. Romualdez, Jr.
Secretary
Department of Health

ANNEX I
INTEGRATED FAMILY PLANNING MATERNAL AND CHILD HEALTH PROGRAM
AMPLIFIED PROGRAM DESCRIPTION

IV. RESULTS TO BE ACHIEVED

The Program Objective and Intermediate Results to be achieved by the completion date specified in Article 4 of the Agreement are defined in Section 2.1 of the Agreement. The performance indicators for the Program Objective and Intermediate Results to be achieved by the Completion Date specified in Article 4 are as follows:

Overall Objective: The indicators for achieving the Program Objective are:

1. Population growth rate declines to 1.93 by the year 2002.
2. Total fertility rate declines to 3.3 by the year 2002.
3. Contraceptive prevalence rate (all methods) increases to 51% by the year 2002.
4. Contraceptive prevalence rate (modern methods) increases to 34% by the year 2002.
5. Percent of births in high risk groups declines to 53% by the year 2002.
6. Infant mortality rate declines to 32 by the year 2002.

Intermediate Result 1. The indicators for achieving Intermediate Result 1 are:

1. 71% of children are fully immunized before age 1 by the year 2002.
2. 48% of newborns have mothers who received tetanus toxoid 2+ immunizations by 2002.
3. 28% of poor married women are using modern method contraceptives by 2002.
4. 100 LGUs are participating in the Matching Grants Program by 2002.

Intermediate Result 2. The indicator for achieving

Intermediate Result 2 is:

45% of family planning services is provided by the private sector by the year 2002.

V. ACTIVITIES

To achieve each overall result specified above, a series of activities have been identified to be financed under the Program. These will be discussed, by Intermediate Result, below.

In order to achieve Intermediate Result 1, the following activities under the LGU Performance Program (LPP) are specified:

- 1) large cities and municipalities (those with a population of at least 80,000) will be enrolled in the Matching Grant Program (MGP), whereby LGUs offer a package of family planning and MCH interventions to expand the delivery of services to program clients;
- 2) LGUs enrolled in the MGP will be assisted to ensure that their health facilities meet the Sentrong Sigla standards for quality service; and
- 3) to ensure sustainability of LPP activities, LGUs enrolled in the MGP will be required to participate in the indigency program of the Philippine Health Insurance Corporation.

Grant funds will finance a contractor to provide technical assistance, training and commodities to assist the DOH and the LGUs to accomplish these activities. A set of annual benchmarks are established and mutually agreed to each year by the DOH and U.S.A.I.D. These benchmarks are then incorporated into the LPP

report for that year. Successful achievement of these benchmarks is required to release the tranche of funds for the performance-based disbursements specified in section III of this Annex.

Under the LPP, direct funding assistance will also be provided to cities and municipalities participating in the MGP.

In order to achieve Intermediate Result 2, various activities are designed to increase the role of the private sector in the Philippine Family Planning Program (PFPP). These activities are geared towards increasing the provision of FP services in private/NGO hospitals and clinics. Specifically, grant funds will be provided to expand the network of private sector midwives providing FP/MCH services and strengthen the capability of local NGOs in managing midwife-led FP/MCH clinics. Likewise, funds will be made available to develop the capability of selected private hospitals and clinics to serve as referral centers for sterilization services, as well as strengthen their reproductive health programs.

The Agreement may provide funding for additional activities that may be identified as necessary to support the achievement of the Program Objective and Intermediate Results described herein. The descriptions of, and the supporting analyses for, these activities will be agreed upon by the Parties to this Agreement in the future.

Attachment 1

Integrated Family Planning Maternal Health Program
Revised Financial Plan
(In US\$000)

Component	Obligations prior to this Amendment No. 13	Obligation under Amendment No. 13	Obligation Status after Amendment No. 13	Anticipated Future Year Obligations by U.S.A.I.D.	Total Life of Program Obligations by U.S.A.I.D.	GOP Contribution ²
1. IR1: Public Sector	47,868	7,558	55,426	5,009	60,435	16,702
2. IR2: Private Sector	14,051	286	14,337	4,114	18,451	13,863
3. Accelerated Economic Recovery in Asia Activities	1,700	1,000	2,700	0	2,700	0
4. Program Management, Monitoring, Evaluation and Audits	7,050	1,257	8,307	107	8,414	3,907
TOTAL	70,669	10,101	80,770	9,230	90,000	\$34,472

¹ Future obligations will be subject to the availability of funds to U.S.A.I.D. for this purpose, and to the mutual agreement of the parties, at the time of a future obligation, to proceed.

² This includes \$4,472,211 (Pesos 132,336,866) in cash expenditures to cover estimated VAT, including E-VAT, assessed on U.S.A.I.D.-financed goods and services pursuant to Section 3.2(b) of this Agreement. For purposes of determining the peso equivalent of the GOP contribution, the total GOP contribution prior to Amendment No. 12 shall be computed using an exchange rate of \$1:P25 (except VAT and E-VAT computed at prevailing exchange rates at the time of obligation). For additional GOP contribution at the time of each subsequent Amendment, the prevailing exchange rate at the time of the Amendment shall be applied to each increment.